

## Message Text

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PAGE 01 OSLO 02747 051221Z  
ACTION EB-08

INFO OCT-01 EUR-12 NEA-11 ISO-00 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05  
SS-15 STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02  
OMB-01 DOE-15 /124 W  
-----074893 051258Z /53

R 051120Z JUN 78  
FM AMEMBASSY OSLO  
TO SECSTATE WASHDC 5934  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY PARIS  
AMEMBASSY STOCKHOLM  
AMEMBASSY TEHRAN

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BRUSSELS FOR USEC

PARIS FOR USOECD

E.O. 11652: N/A  
TAGS: ENRG, ECON, PINT, NO  
SUBJ: KVAERNER INDUSTRIES -COLUMBIA POWER LNG DEAL

REF: A) OSLO 2030, B) OSLO 2344, C) STATE 103263

1. THE ARRANGEMENT WHEREBY NORWAY'S KVAERNER GROUP (MOSS-ROSENBERG DIVISION) WILL BUILD A FLOATING GASS LIQUIFICATION PLANT FOR IRAN'S NIGC WHICH IN TURN WILL SUPPLY LNG TO COLUMBIA POWER CORPORATION IS ACTIVELY BEING IMPLEMENTED HERE. DESPITE COLUMBIA POWER'S FAILURE TO AS YET FILE ITS APPLICATION WITH THE FERC, TALKS BETWEEN THE KVAERNER GROUP AND THE GON FOR US \$560 MILLION IN STATE GUARANTEES FOR THE PROJECT ARE EXPECTED  
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TO BE CONCLUDED WITHIN A FEW WEEKS AND EARLY STORTING RATIFICA-TION IS ANTICIPATED.

2. THIS PROJECT IS THE LARGEST INDUSTRIAL ORDER EVERY ENTERED INTO BY ANORWEGIAN FIRM AND ALTHOUGH WORTH AS MUCH AS US \$660 MILLION TO NORWAY, IT IS VALUED MOST FOR ITS POTENTIAL AS A PROVIDER OF JOBS AND TECHNOLOGY (WORK WILL BE DONE IN

COOPERATION WITH FRG PARTNERS). KVAERNER AND THE GON ARE GIVING GREAT STRESS PUBLICLY TO THE BENEFITS ACCRUING TO NORWAY FOR THE DEAL.

3. THE GON AND KVAERNER ARE ALSO ACTING AS THOUGH THE CONTRACT WERE A FACT. EMBASSY AND US DEPARTMENT OF ENERGY CAUTIONING THAT MANY FACTORS ENTER INTO FERC APPROVAL OF LNG IMPORT CONTRACTS AND SUCH APPROVAL CANNOT BE TAKEN FOR GRANTED IN ANY SPECIFIC INSTANCE (DESPITE SIMILARITIES TO APPROVED CONTRACTS) APPEARS TO HAVE DONE LITTLE TO DAMPEN THE GENERAL CONFIDENCE. HOWEVER, IN A RECENT CONVERSATION WITH AN EMBASSY OFFICER, KVAERNER PRESIDENT CARL ROETJER STOPPED AFTER A LENGTHY DISQUISITION ON HOW WELL THINGS WERE GOING TO SAY QUOTE WE ARE COMMITTING RESOURCES AS IF THE PROJECT WERE APPROVED; LET ME KNOW IMMEDIATELY IF YOU LEARN OF ANYTHING SPECIFIC THAT WOULD GIVE US REASON TO WORRY. UNQUOTE

4. COMMENT: WE PLAN TO CONTINUE TO CAUTION INDIVIDUALS CONCERNED THAT THEY MUST NOT, IN THIS CASE, COUNT THEIR CHICKENS TOO EARLY. WE URGE THE DEPARTMENT TO KEEP US INFORMED OF PERTINENT DEVELOPMENTS IN THIS CASE SO THAT WE CAN HEAD OFF ANY SUDDEN DISAPPOINTMENT.  
LERNER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATURAL GAS, CONSTRUCTION, PETROLEUM INDUSTRY, AGREEMENTS, CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978OSLO02747  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780234-0339  
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**Message ID:** e3843d92-c288-dd11-92da-001cc4696bcc  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 78 OSLO 2030, 78 OSLO 2344, 78 STATE 103263  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
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**Review Event:**  
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**Status:** NATIVE  
**Subject:** KVAERNER INDUSTRIES -COLUMBIA POWER LNG DEAL  
**TAGS:** ENRG, ECON, PINT, NO  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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